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NEWS FLASH

*The SBA welcomes new Acting Administrator **Santanu "Sandy" K. Baruah** to the agency. Mr. Baruah was designated head of the SBA on August 15 by President Bush. He comes from a strong background of both private and public sector work and previously served as the Assistant Secretary of Economic Development in the Department of Commerce.*

Helping small businesses
 start, grow and succeed.



Your Small Business Resource

Surviving — and Thriving — in the Downturn

A Year-End Message from District Director Elliott Cooper

Economic downturn: It's in the headlines, and more importantly, it's on our minds and in our lives. It's there when we're grocery shopping and when we're pumping gas, and when we peer into our bank accounts, we're worried the downturn might have hit there too.

We're also worried about financing our small businesses. Because of these concerns, the recently passed economic stimulus legislation includes up to \$250 billion to inject capital into the nation's banks. From all indicators, South Carolina's financial markets remain sound, but South Carolina banks can still share in the legislation's plan.

Of course, to further assist small businesses, the SBA's loan guaranty programs can help both lenders and borrowers by backing up to 85 percent of a loan made to a small business. In fact, all of the SBA's programs and services—loan guarantees, government contracting assistance and free business counseling—can help small businesses not only survive but also thrive in the current economic climate.

With lenders now more cautious, the SBA's loan guarantees can help small businesses secure the capital they need to keep their businesses running or even start a new business. And lenders now have even more options with the new Small/Rural Lender Advantage Program and the updated Community Express Pilot Program, both of which carry the SBA's full 75-85 percent guaranty. For more information, see page 3.

An economic downturn can stifle and even shrink a small business's client list. The SBA can help businesses diversify and even expand their customer base by helping them sell to the world's biggest customer: the U.S. government. The government needs—and buys—products and services ranging from office supplies to catering to construction. Working closely with federal agencies and the nation's leading large contractors, the SBA works to ensure that small businesses obtain a fair share of government contracts and subcontracts.

Finally, entrepreneurs—whether just starting out or starting in on their 20th year in business—need guidance more than ever right now to help navigate their businesses through the current economic straits. The SBA's resource partners—SCORE, the Small Business Development Centers and the S.C. Women's Business Centers—can help by providing free and confidential small business counseling on all business-related topics, from the business plan to hiring employees, and from marketing strategies to government contracting.

Small business is the backbone of our state and our nation. It provides more than 50 percent of America's non-farm gross domestic product and creates 60 to 80 percent of the nation's net new jobs. In South Carolina, small businesses make up 97.4 percent of the state's employers. The SBA is here to ensure that our economic backbone remains strong.

Elliott O. Cooper

FY 2008 LENDER PRODUCTION TOTALS

10/01/2007— 09/30/2008

7(a) Loans

LENDER	# OF LOANS	\$ AMOUNT
Superior Financial Group	143	1,302,500
Innovative Bank	65	1,290,000
Bank of America, NA	35	867,000
BB&T	29	4,060,700
Business Development Corp. of SC	27	9,584,900
Wachovia Bank	24	12,129,900
CIT Small Business Lending Corp.	23	13,045,000
BCI Lending (Formerly Business Carolina)	23	12,377,000
Banco Popular North America	19	5,030,800
Borrego Springs Bank, NA	10	355,000
CoastalStates Bank	9	1,244,000
First Fed. Savings & Loan Assoc. of Chlstn.	9	1,203,000
Suntrust Bank	9	771,000
Capital One, NA	9	435,000
Community South	7	7,374,600
First National Bank of the South	7	4,605,200
Regions Bank	6	2,670,600
UPS Capital Business Credit	5	5,064,000
Beach First National Bank	5	3,302,000
Carolina First Bank	5	2,045,000
Community West Bank, NA	5	1,440,500
Excel National Bank	3	4,920,700
Unity Bank	3	2,750,000
Compass Bank	3	2,214,000
Wilshire State Bank	3	1,402,000
Commerce Bank	2	2,380,000
Mountain 1st Bank & Trust Co.	2	2,055,000
Small Business Loan Source LLC	2	1,480,000
Home Loan Investment Bank, FSB	2	1,112,000
First Western SBLC	2	917,800
Provident Community Bank & Trust	2	745,000
First Reliance Bank	2	700,000
Wells Fargo Bank, NA	2	578,600

7(a) Loans (Continued)

High Trust Bank	2	575,000
Haven Trust Bank	2	466,600
Bank of Traveler's Rest	2	361,600
NCB, FSB	1	1,890,000
Mutual of Omaha Bank	1	1,100,200
CBC National Bank	1	870,000
Fidelity Bank	1	828,000
South Carolina Community Bank	1	720,000
Shinhan Bank America	1	506,000
Comerica Bank	1	412,500
Ameris Bank	1	382,000
Huntington National Bank	1	372,000
First Bank	1	250,000
Queensborough Nat'l Bank & Trust Co.	1	206,500
PNC Bank, NA	1	206,000
SouthCoast Community Bank	1	200,000
Live Oak Banking Company	1	150,000
Stearns Bank, NA	1	143,000
Liberty Savings Bank, FSB	1	130,000
Business Loan Center, LLC	1	45,000

GRAND TOTAL

525 \$121,267,200

504 Loans

LENDER	# OF LOANS	\$ AMOUNT
Certified Development Corp.	31	12,683,000
Appalachian Development Corp.	21	20,775,000
Provident Business Fin. Services	10	8,900,000
Small Business Assistance Corp.	5	2,560,000
Catawba Regional Dev. Corp.	3	3,440,000
Capital Partners Certified Dev. Corp.	1	2,000,000
Coastal Area District Authority	1	176,000

GRAND TOTAL

72 \$50,534,000

Introducing: **The Small/Rural Lender Advantage**

The SBA is introducing a new 7(a) loan initiative designed to meet the unique loan processing needs of small community and rural-based lenders: the Small/Rural Lender Advantage. S/RLA is part of a broader SBA initiative to promote the economic development of local communities. Key features include:

- Maximum loan limit of \$350,000.
- SBA's standard 75/85 percent guaranty
- Expedited SBA processing (3-5 days)
- Fillable loan application at <http://www.sba.gov/tools/Forms/smallbusinessforms/fsforms/index.html>, which can be faxed or e-mailed to SBA.
- Simplified SBA loan eligibility questionnaire.

Small/Rural Lender Advantage was designed not only for small volume SBA lenders, but also for lenders not currently participating with SBA. SBA field offices will provide training and counseling assistance for both new and small volume SBA lenders, including:

- Training and counseling assistance for new and/or small volume SBA lenders provided by SBA field offices on the Agency's 7(a) loan policies and procedures.
- Support for non-SBA lenders from SBA field offices on how to become an SBA lender.
- Specialized assistance through the LGPC for eligibility questions and more complex eligibility issues.
- A help desk to support lenders participating in this initiative.

For more information on how you can benefit from the Small/Rural Lender Advantage, contact Lois Johnson at (803) 253-3360 or mae.johnson@sba.gov.

REMINDER: 2009 SMALL BUSINESS AWARDS NOMINATIONS

Need some free marketing? Grab time in the spotlight for your small business or your business advocacy efforts with the 2009 SBA Small Business Awards. For a full list of award categories and instructions on creating a nomination package, check out the links to the 2009 Small Business Award Nomination Guidelines and Award Nomination Assistance at www.sba.gov/sc. All nominations must be submitted to the S.C. District Office by November 14. For additional assistance, contact Anna Huntley at (803) 253-3753 or anna.huntley@sba.gov.

Updated **The A Community Express**

Effective October 1, 2008, the SBA is enhancing the Community Express Pilot Program to improve its administration and delivery. The program has also been extended through December 31, 2009.

The Community Express loans continue to receive the SBA's full 75/85 percent guaranty, but the maximum interest rates will now be equivalent to the standard 7(a) rates.

All small businesses, including start-ups, are eligible for the Community Express program for loans of \$25,000 or less. Small

businesses located in a Historically Underutilized Business Zone (HUBZone) or Community Reinvestment Act (CRA) designated area are eligible for up to \$250,000. Technical assistance remains a program requirement, but lenders may now use SBA's online facilities, such as the Small Business Training Network, to fulfill the requirement. Barring extenuating circumstances, technical assistance must be provided prior to the loan disbursement, and lenders must continue to document that the required assistance was provided.

Community Express remains a

pilot loan program; therefore, no more than ten percent of all SBA-guaranteed loans can be Community Express. However, the SBA is continuing to seek new lenders to participate in the program.

Remember, the Community Express program is a wonderful way for lenders to bring economic growth to their areas by helping very small businesses, including start-ups, obtain the smaller business loans that are just what they need to succeed.

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Gail Newton, *Business Dev. Specialist*
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Clarissa Peak, *Business Dev. Specialist*

Alternate Worksite—Coastal Area

Paul Thomas, *Senior Area Manager*

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The U.S. Small Business Administration was created in 1953 as an independent agency of the federal government to aid, counsel, assist and protect small businesses; to preserve free competitive enterprise; and to maintain and strengthen the nation's economy. Although SBA has grown and evolved since 1953, the bottom line remains the same: helping small businesses to start, grow and succeed.

8(A) CONTRACT OFFERS BREAK RECORD IN FY 2008

In FY 2008, a record high 119 8(a) contract offers totaling nearly \$111 million came from 19 different federal agencies, and so far, 59 contracts from 11 agencies have been awarded to 8(a) firms.

AGENCY	# CONTRACTS	\$ AMOUNT
ARMY	14	\$12,091,625.73
NAVY	21	\$ 7,070,849.21
HOMELAND SECURITY	5	\$ 6,065,026.78
HOUSING AND URBAN DEVELOPMENT	1	\$ 1,711,750.00
TREASURY	3	\$ 1,441,181.34
USDA	2	\$ 479,023.00
GENERAL SERVICES ADMIN.	6	\$ 462,473.64
VETERANS ADMIN.	1	\$ 173,520.87
DEPT. OF TRANSPORTATION	1	\$ 160,204.28
AIR FORCE	4	\$ 85,650.13
NAT'L INST. OF STANDARDS & TECHNOLOGY	1	\$ 7,346.31
TOTAL	59	\$29,748,651.29

The 8(a) Business Development Program is a nine-year program that provides contracting assistance to small businesses owned by socially and economically disadvantaged individuals. The SBA enters into sole source contracts with federal agencies and sub-contracts the performance out to the appropriate 8(a) firms.

SURVIVAL SKILLS: PROSPERING DURING AN ECONOMIC DOWNTURN

1. Manage your cash flow. Examine your cash flow analysis and look for steps to strengthen your financial position.
2. Meet with your local banker. Reinforce your relationship and inquire as to any strategies they might recommend.
3. Contact any and all vendors and creditors and either establish a line of trade credit or explore extending the terms.
4. Examine and reduce, where possible, your accounts payable.
5. Examine and manage your accounts receivable. Try to reduce the average number of days (age) of your receivables.
6. Examine and develop low-cost, unconventional marketing strategies designed to stimulate sales.
7. Develop strategic alliances with other businesses to expand market penetration or explore new markets domestically or internationally.
8. Create or reinforce a Board of Advisors. These individuals can be a valuable source of information and advice.
9. Contact the SBA's resource partners like SCORE, Small Business Development Center and the S.C. Women's Business Center, or go online to the Small Business Training Network (SBTN), <http://www.sba.gov/services/training/index.html>.
10. Contact local universities or colleges. They often have student consulting teams available to work with entrepreneurs to solve problems facing their businesses.